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Cavalier TELEPHONE

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October 14, 2002—Ex **Parte ;Redacted**

Marlene H. Dortch, Secretary
Office of the Secretary
Federal Communications Commission
445 12th Street, S.W., TW-B204
Washington, D.C. 20554

EX PARTE OR LATE FILED

RE: **Joint Application by Verizon for Authorization To Provide In-Region, InterLATA Services in State of Virginia, WC Docket No. 02-214**

Dear Ms. Dortch:

In accordance with the Commission's *Ex Parte* Rules, Cavalier Telephone, LLC ("Cavalier") submits the following update to one of the unresolved issues raised in this proceeding, related to Verizon Virginia Inc.'s (Verizon's) responsibilities to provide CLECs with accurate billing data for traffic routed through Verizon's tandems.

On August 27,2002, Verizon met *Ex Parte* with representatives of the FCC to discuss, among other items, Verizon's billing practices for traffic passing through its tandems and destined for termination to another CLEC.[1] In the hand-outs to Verizon's *Ex Parte* filing, Verizon suggests that the terminating "CLEC should determine based on the information contained in the EMI record provided by Verizon that the call is local and bill the originating CLEC appropriately."[2] However, what if the "information" provided by Verizon in the EMI is wrong or incomplete? As Cavalier pointed out in its *Ex Parte* filing of September 20, 2002, with accompanying billing data, a review of just one day's records provided by Verizon to Cavalier revealed thousands of errors in the billing records (showing zeros in the Carrier Identification Code (CIC)), making it impossible for Cavalier to identify the source of the traffic for billing purposes.[3]

Cavalier has struggled with just such problems with Verizon's billing systems since its inception as a CLEC in 1998, yet the problem of incomplete information in these meet point billing records persists. Worse, this is not just a problem between Cavalier

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[1] *See* Verizon's Ex Pane Letter, dated August 28, 2002.
[2] *See* Handout provided in Verizon's Ex Parte Letter of August 28, 2002.
[3] As shown in Cavalier's September 20. 2002 ex parte filing, just the records of one day from one state revealed 121,000 records with "0000" on the CIC field, out of a total of 450,000 records examined, making it impossible for Cavalier to know who to bill for the origination of the traffic.

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and Verizon, but is an industry wide problem that defies correction, as witnessed in the published OBF's meeting notes!

Accordingly, Cavalier takes this opportunity to update the FCC, in this *ex parte* written filing, of the harm *to* competitors in Virginia caused by Verizon's unwillingness to confront this problem head-on. This is a problem of serious magnitude. For example, Cavalier currently bills [ ] per month (excluding late payment charges) in carrier access billing. However, as a result of the failure of Verizon to properly identify the source of the traffic routed to Cavalier, through Verizon's tandem, Cavalier is unable to properly identify and collect access billing revenues approaching [ ] per month. Here are the details on the problems caused by Verizon:

Missing Carrier Identification Codes. First, only Verizon knows which carrier is sending traffic to its tandem for routing to Cavalier. Verizon routinely provides Cavalier with this identification information by populating a 4 digit Carrier Identification Code ("CIC") on the Call Detail Record ("CDR") for all non-local calls carried over Cavalier's Access Toll Connecting Trunks. An unacceptable percentage of these call records sent Cavalier by Verizon have no corresponding CIC codes, leaving Cavalier to only guess at who should be billed for the termination of the traffic over Cavalier's facilities.

Incomplete information on the 110101 Records: Second, Verizon continues to send Cavalier incomplete information on the I 10101 records, which is the industry standard bill of record for how CLECs bill other carriers for termination of calls over Cavalier's network.

Call Detail Records ("CDR") *to* Verify that Verizon's Bills to Cavalier are accurate: Third, Verizon has requested CDR from Cavalier for purposes of checking for the presence of internet or tandem traffic. Cavalier has obliged Verizon's requests and has submitted this information to Verizon. Cavalier has requested that Verizon provide Cavalier with the same information so that Cavalier can determine if Verizon's bills are properly charging Cavalier for terminating Internet or tandem traffic originated by callers on Cavalier's network. Verizon refuses to provide Cavalier with this same information that it requests from Cavalier.

Routing Traffic Over the Wrong Trunk Groups: Finally, Cavalier, as with most CLECs, arranges with Verizon for the routing of traffic over different trunk groups, such as Traffic Exchange Trunk Groups and Access Toll Connecting Trunk Groups. Verizon continues to send what should be a carrier's local traffic over the long distance (access toll) trunks, This is a serious problem, since Cavalier is billing the originating carrier (assuming Cavalier has the correct carrier identification code supplied from Verizon) for the minutes of use at the access billing rates when in fact a percentage of this traffic should be billed at reciprocal termination (local) rates. Evidently, Verizon expects that when Verizon sends traffic from the tandem over the wrong trunk group it is Cavalier's

[4] As shown in the meeting notes of the OBF, this has been a problem in search of a solution since at least July 30, 2001. A link to OBF issue 2309 ("Routing determinations on EMI Call Detail Records") can be found at http://www.atis.org/publclc/obflissues/2309.doc.

problem to sort all this out in the back end.'[5] Verizon essentially takes the position that it need not be concerned whether it is sending Cavalier traffic according to the specific trunk groups specified in our interconnection agreement. This neglectful attitude forces Cavalier to expend hours of wasteful resources, drives up Cavalier's costs unnecessarily, and worse, leads Cavalier into a position where its expected booked revenues turn out to be grossly inaccurate, despite that Cavalier is billing carriers according to the information supplied by Verizon and according to the traffic supposedly segregated by specific trunk groups

Cavalier has complained to Verizon about these billing inaccuracies since its inception in 1998, but to no avail. Again, just recently, Verizon reports to Cavalier that it is "continuing to work on addressing the specific issues" raised related to these billing inaccuracies.[6] As a result, Cavalier's accounts receivable continue to grow to unacceptable levels, all due to erroneous information and mis-directed traffic coming from Verizon's tandem. Cavalier thus brings this to the FCC for its consideration in the context of Verizon's application for Section 271 authorization in Virgina.

Please let me know if we can provide you any further information concerning this matter.

Respectfully submitted,

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[5] Cavalier cannot help but note that this "pass the buck" mentality bears a striking similarity in attitude to Verizon's belief that Verizon's flaws and errors in its directory processing are the "responsibility" of the CLEC to "fix" Verizon's mistakes at the final stage of production of the information necessary for companies to compete with Verizon.

[6] Attached is the latest email response, dared October 01, 2002, from Mr. Ken Rank of Verizon to Mr. Martin W. Clift, Jr. of Cavalier.